

INSTRUCTIONS FOR WRITING PUBLIC EVALUATIONS

The format of all of the public evaluation templates follows the provisions of amendments to the Community Reinvestment Act that require the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation (Agencies) to:

1. Rate the institution's overall performance in meeting the credit needs of its community;
2. For an interstate institution, rate each state in which the bank has branches or multistate metropolitan statistical area (MSA) in which the institution has branches in more than one state; and
3. Separately present the conclusions for the performance test(s) or criteria considered in arriving at the rating as well as the facts and data supporting those conclusions for each MSA in which the institution has branches.

The contents of the public evaluation will vary depending on the nature of the institution examined and the examination method used. Public evaluation templates for small institutions, intermediate small institutions, large institutions, wholesale and limited purpose institutions, and institutions operating under approved strategic plans have been prepared by the Agencies. These templates provide guidance regarding the structure and contents of the public evaluations. Except for the intrastate public evaluations for small institutions and intermediate small institutions, the templates are structured to meet the requirements that the CRA imposes on public evaluations for interstate institutions. The samples can easily be adjusted to suit the requirements for institutions with branches in only one state.

Evaluations for Institutions with Branches in Only One State.

Regardless of the examination method used, the public evaluation for institutions with branches in only one state must contain the institution's overall CRA rating and the conclusions for the performance test(s) or criteria upon which the rating is based. No state or multistate MSA rating is needed for intrastate institutions. Also, there is no requirement to rate an institution's performance in each assessment area. Rather, the public evaluation must present conclusions about the institution's performance in the assessment area(s) subject to the following guidance:

1. If the institution has branches in more than one MSA, the public evaluation must present the conclusions for each performance test(s) or criterion, along with supporting facts and data, separately for each MSA.

2. If the institution has defined more than one assessment area within a nonmetropolitan statewide area, separate discussion of CRA performance within a nonmetropolitan statewide area for intrastate institutions that have branches in metropolitan and nonmetropolitan areas is optional because the performance in the nonmetropolitan areas has been discussed in the overall evaluation of the institution. Examiners may wish to discuss in greater detail, however, the assessment areas within the nonmetropolitan statewide areas that were reviewed using the examination procedures for (1) intrastate institutions with branches in MSAs or nonmetropolitan areas or (2) intrastate institutions with branches only in nonmetropolitan areas.

More detailed discussions of each assessment area examined should follow the appropriate MSA and nonmetropolitan area presentation.

Evaluations for Interstate Institutions

In addition to the institution's overall CRA rating, public evaluations for interstate institutions must contain ratings for each state in which the institution has branches and multistate MSA in which the institution has branches in more than one state of the multistate MSA. The public evaluation for interstate institutions is, therefore, organized to present the institution's overall rating first, followed by the multistate MSA rating(s), and then the state rating(s). The discussion of the overall institution, multistate MSA, and state ratings must include the conclusions for the performance test(s) or criteria upon which the rating(s) is based. An institution's performance in each assessment area is not rated. Rather, the public evaluation must present the conclusions about the institution's performance in the assessment area(s) subject to the following guidance:

1. Multistate MSA presentations should be followed by discussions of the performance within assessment area(s) within the multistate MSA.
2. Separate MSA presentations for each MSA where the institution has branches should follow the appropriate state presentation. A discussion of an institution's CRA performance within a nonmetropolitan area statewide area is required for institutions with branches in two or more states. Include a discussion about how the examination of the institution was performed, including a list of the individual branches examined.

Again, more detailed assessment area discussions follow the applicable MSA and nonmetropolitan area discussions.

Conclusions based on Performance Tests

The CRA requires the Agencies to present conclusions for each of the performance test(s) or criteria considered in arriving at a rating. The performance evaluations should reflect the conclusions reached under these performance tests.

- For large institutions, the public evaluation must indicate the conclusions reached under the lending, investment, and service tests.
- For intermediate small institutions, the public evaluation must indicate the conclusions under the lending and community development tests.
- For small institutions, the streamlined assessment method for small institutions focuses on lending performance. However, to the extent that investment and service performance were considered in rating a small institution "Outstanding," the conclusions for each must be in the public evaluation.
- For wholesale and limited purpose institutions, conclusions for the community development test must be discussed in the performance evaluation.
- Finally, for institutions that operate under an approved strategic plan, the performance evaluation for those institutions must contain conclusions for the tests used in the examination.

Hybrid Performance Evaluations

When an institution is examined under more than one examination method, the examiner should develop a hybrid performance evaluation. The evaluation should state the examination methods used in the General Information section. In addition, the discussion of the scope should indicate the examination method that was used in each assessment area examined. Finally, discussions of the analysis used under each assessment area presentation should note the applicable examination method.

Charts, Tables and Appendices

Charts and tables should be used throughout the public evaluation to facilitate discussion of the institution's performance. In addition, the inclusion of one or more appendices may facilitate the presentation of information in the public evaluation. For example, Appendix A is a chart describing the scope of the examination and should be used for institutions with numerous assessment areas. Appendix B should be used to summarize the state ratings for interstate institutions. Other charts and tables may be used to assist the reader and amplify the discussion of an institution's performance.